

## Message Text

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PAGE 01 TEHRAN 04233 130514Z

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 ERDA-05 AID-05 CEA-01  
CIAE-00 EPG-02 DODE-00 FPC-01 H-01 INR-07 INT-05  
L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 OES-07  
SP-02 SS-15 STR-04 TRSE-00 ACDA-07 FEA-01 /100 W  
-----140106Z 090854 /63

R 121400Z MAY 77

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 2565

INFO AMEMBASSY ABU DHABI

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMCONSUL DHAHRAN

USDOC WASHDC

LIMITED OFFICIAL USE TEHRAN 4233

E.O. 11652: N/A

TAGS: BEXP, ENRG, IR

SUBJECT: OIL BARTER: U.S. FIRM MCA ENGINEERING CORP. STILL  
SEEKING OIL BARTER FOR CONSTRUCTION WORK

REF: TEHRAN 2059 (NOTAL)

1. GENERAL MANAGER OF MCA, IRAN, LOCAL BRANCH OF MCA ENGINEERING CORP. OF BALTIMORE, MD., TOLD EMBOFF THAT MCA HAS AGREEMENT IN PRINCIPLE FROM CROWN OIL COMPANY OF BALTIMORE TO TAKE ABOUT DOLLARS ONE BILLION IRANIAN CRUDE OVER FIVE-YEAR PERIOD IN BARTER FOR CONSTRUCTION OF ISFAHAN/AHWAZ ROAD CITED REFTEL. CROWN OIL NEEDS EQUIVALENT OF TWENTY-TWO CENTS PER BARREL DISCOUNT FROM CURRENT IRANIAN PRICE BEFORE IT WILL ENTER INTO THE TRANSACTION. MCA/IRAN THINKS THA THERE WILL BE SUFFICIENT MARGIN IN ITS COST PLUS CONTRACT WITH THE MINISTRY OF ROADS AND TRANSPORT TO MEET THIS FINANCIAL REQUIREMENT. MEANWHILE, THE MINISTRY OF ROADS AND TRANSPORT, ACCORDING TO MCA/IRAN, CONTINUES TO BE ANXIOUS TO MOVE  
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AHEAD WITH THE PROJECT.

2. MCA'S PRINCIPAL PROBLEM AT THIS POINT IS TRYING TO INTEREST ONE OR MORE U.S. CONTRACTORS IN PARTICIPATING IN THE PROJECT. MCA DOES DESIGN AND ENGINEERING WORK ONLY. MCA/IRAN'S GENERAL MANAGER  
TOLD EMBOFF THAT FIVE U.S. CONTRACTING FIRMS FLATLY REFUSED TO

COME IN ONE THE PROJECT, CITING GOI'S REPUTATION FOR SLOW PAYMENT  
AND LENGTHY NEGOTIATING PROBLEMS WITH GOVERNMENT MINISTRIES.

(COMMENT: STATE AND COMMERCE/CAGNE PLEASE NOTE. SIGNIFICANT  
U.S. EXPORTS WOULD ALMOST CERTAINLY FOLLOW THE SIGNING OF MCA'S  
SERVICE CONTRACT WITH THE GOI).  
MIKLOS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, CONSTRUCTION, HIGHWAYS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 12-May-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977TEHRAN04233  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770170-0062  
**Format:** TEL  
**From:** TEHRAN  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1977/newtext/t19770564/aaaacdfc.tel  
**Line Count:** 69  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** ea8d3895-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 TEHRAN 2059  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2545287  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OIL BARTER: U.S. FIRM MCA ENGINEERING CORP. STILL SEEKING OIL BARTER FOR CONSTRUCTION WORK  
**TAGS:** BEXP, ENRG, IR, MCA ENGINEERING CORP, CROWN OIL  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/ea8d3895-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009